



W.T. GRANT
COMPANY

Annual Report, 1962

1,032 W. T. GRANT FRIENDLY FAMILY STORES IN 45 STATES



THE W. T. GRANT COMPANY

a brief description

The Company started with one store at Lynn, Mass. in 1906. On January 31, 1963, it was operating 1,032 general merchandise stores in 45 states. In addition, 4 distribution centers were servicing the stores with certain lines of merchandise.

The stores are family type stores selling merchandise lines for women, for men, for children, and for the home. Prices generally range up to \$5, but some items range in prices up to and even above \$100.

While most sales are for cash, credit service is available in all stores and accounted for 14.2% of total sales in 1962.

In 1962, total sales were \$686,263,000. This is an average of \$665,000 per store.

The 1962 sales were at a new all-time high for a year. Except for 1932, 1938, and 1949, the Company has had a sales increase every year in its 56 year history.

The Company has earned a profit and has paid dividends in every year of its history.

The Company is maintaining a steady program of growth. In recent years, it has been directed almost entirely to leased shopping center stores. At the last year end, 639 of the 1,032 stores were in shopping centers.

The Company employed an average of 45,000 people during the year, with a peak of approximately 54,000 in December.

The Company's capitalization includes 150,000 shares of 3¾% preferred stock held by 774 stockholders, and 5,849,651 shares of common stock held by 15,902 stockholders.

The Company has a long term debt represented by \$35,000,000 of 4¾% Sinking Fund Debentures sold to the public in January 1962.

Besides its domestic operations, the Company owns 51% of the common stock of Zeller's Ltd., a Canadian chain operating 100 stores similar to Grant stores, with 1962 sales of \$68,798,000. Zeller's Ltd. also is maintaining a steady program of growth.

W. T. GRANT COMPANY . . . founded in 1906 at Lynn, Mass.

Executive and Buying Offices . . . 1441 Broadway, New York 18, N. Y.

DIRECTORS

WILLIAM T. GRANT
Chairman

EDWARD STALEY
Vice Chairman

JOHN G. BYLER

JOSEPH W. CHINN

HOWLAND S. DAVIS

RAYMOND H. FOGLER

JOHN D. GRAY

THOMAS P. JERMAN

ALBERT E. KELLY

M. F. KETZ

PETER KILBURN

LOUIS C. LUSTENBERGER

CLARENCE J. MYERS

DR. CHARLES F. PHILLIPS

OFFICERS

WILLIAM T. GRANT
Chairman of the Board

EDWARD STALEY
Vice Chairman of the Board

LOUIS C. LUSTENBERGER
President

M. F. KETZ
Financial Vice President

R. W. ROSEVEAR
Operations Vice President

HOWARD E. EADES
Merchandise Vice President

JOSEPH A. LIVOLSI
Store Management Vice President

HERBERT T. WILKINSON
Pittsburgh Region Vice President

CHARLES W. RIVOIRE
Secretary

RICHARD W. MAYER
Treasurer

JOHN G. CURTIN
Comptroller

S. E. ZIMMERMAN
Assistant Secretary

ROBERT J. KELLY
Assistant Secretary

ROSALIE A. MULFORD
Assistant Treasurer

ALLAN E. LOMEN
Assistant Comptroller

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THE STORY IN BRIEF

Year ended January 31,

1963

1962

Sales	\$686,262,689	\$574,501,798
Net earnings	\$ 9,004,122	\$ 8,359,313
Per common share	\$1.44	\$1.34
Dividends paid per preferred share	\$3.75	\$3.75
Dividends paid per common share	\$1.20	\$1.20
Total dividends paid	\$ 7,559,829	\$ 7,502,609
Earnings retained in the business	\$ 1,444,293	\$ 856,704
Depreciation and amortization	\$ 6,782,285	\$ 6,540,639
Growth program—fixed assets	\$ 7,478,000	\$ 7,855,000
Employee compensation and benefits	\$131,205,257	\$113,121,937
Cents per sales dollar	19.1¢	19.7¢
Merchandise inventories	\$141,046,594	\$112,885,170
Working capital	\$124,931,072	\$119,891,956
Net fixed assets	\$ 42,607,916	\$ 42,135,364
Long term debt	\$ 35,000,000	\$ 35,000,000
Common shares outstanding	5,849,651	5,812,311
Book value common stock—per share	\$21.36	\$21.11
Number of preferred stockholders	774	792
Number of common stockholders	15,902	13,854
Number of stores	1,032	952

THE STORE GROWTH PROGRAM . . . 1958 THROUGH 1962

Year	Number New Stores Opened		Number Stores Relocated or Enlarged	Fixed Asset Expenditures
	Shopping Centers	Downtown Locations		
1962	112	—	9	\$ 7,478,000
1961	112	1	10	7,855,000
1960	77	1	13	7,995,000
1959	81	4	9	7,470,000
1958	64	—	15	5,736,000
Totals	446	6	56	\$36,534,000

W. T. GRANT COMPANY

Your Friendly Family Stores

1441 BROADWAY • NEW YORK 18, N. Y.

To the Stockholders:

In this fifty-sixth annual report for the fiscal year ended January 31, 1963, we are pleased to report a record year in sales and a 7.7% increase in net earnings over the preceding year.

SALES

The sales for the year of \$686,262,689 were the highest in the Company's history. The increase over 1961 was \$111,760,891 or 19.5%. It was the largest sales increase in amount for any one year in our history.

Credit sales also registered a new high. They totalled \$97,477,848 or an increase of 33.4%, and accounted for 14.2% of the Company's total sales. The growth in credit sales reflects the fact that we are selling more big ticket items which our customers want to buy on credit.

EARNINGS

The year's net earnings were \$9,004,122 which, after preferred dividends, equalled \$1.44 per share on 5,849,651 shares of common stock outstanding at the year end.

In 1961, net earnings were \$8,359,313, or \$1.34 per share on 5,812,311 shares of common stock at the year end.

DIVIDENDS

During 1962 the Company paid regular dividends of \$3.75 per share on the preferred stock and regular dividends of \$1.20 per share on the common stock, the same as were paid in 1961.

In 1962, the Company continued its record of earning a profit and paying dividends in every year of its 56 year history.

FINANCIAL COMMENTS

Working capital at the year end was \$124,931,072 which compares with \$119,891,956 at the end of 1961.

Merchandise inventories in stores, distribution centers, and in transit were \$141,046,594 at the year end. This is \$28,161,424 above a year ago. The increase is in new and enlarged stores, in a new distribution center, and also in established stores where expected sales increases require more inventory.

At the year end, installment receivables from customers were \$67,031,170, of which \$66,905,814 had been sold to banks. At the end of 1961, the receivables were \$49,759,767, of which \$32,901,919 had been sold to banks.

GROWTH PROGRAM

In 1962, the Company opened 112 new stores in shopping centers, compared to 113 stores in 1961. In 1962, we also enlarged or relocated 9 stores; reopened one after a fire; and opened our fourth modern distribution center in Albany, Georgia. In 1961, the Company enlarged 10 stores and also opened a new distribution center.

In line with its policy of closing stores which are unprofitable or inadequate to stock the broadening lines of merchandise the Company offers today, 32 stores were permanently closed, mostly as leases expired. With these closings, the net increase in stores for the year was 80.

At the year end, the Company was operating 1,032 stores, 639 of them in shopping centers, a trend in which Grants pioneered. At the end of 1961, there were 952 stores, including 528 in shopping centers.

Capital expenditures in 1962 were \$7,478,000, principally for store fixtures, compared to \$7,855,000 in 1961.

For 1963, Company plans provide for a significant reduction in the number of new store openings. It is anticipated that 80 new stores and 10 enlarged stores will be opened, with capital expenditures of approximately \$6,800,000.

New Grant stores of today average about one-third larger than those opened as recently

as five years ago, the added size being necessary to accommodate the constantly broadening lines of merchandise that we offer in response to customer demands.

PERSONNEL AND ORGANIZATION

At the end of 1962 there were approximately 41,000 employees, compared to 38,000 a year ago.

Salaries, wages, social security taxes, retirement plan contributions, and other benefits totalled \$131,205,257 or 19.1% of sales in 1962. In 1961, this was \$113,121,937 or 19.7% of sales. These totals include social security taxes of \$6,867,940 in 1962 and \$5,249,150 in 1961; and contributions to the retirement plan of \$875,120 in 1962 and \$648,690 in 1961.

The growth program made it possible to promote 171 assistant store managers to store managers in 1962. It also made possible the promotion of 376 store managers to larger stores.

To provide for future manpower needs, the Company had 1,051 men-in-training for store management at the year end, which compares with 1,110 a year ago.

The Company continues to maintain constant development of management manpower. In its group of 21 top management people, the average age is 53 years, and the average length of service, 26 years.

In order to provide better supervision for the increasing number of stores, the Company, on February 1, 1963, divided its stores into six regions and 41 districts. Formerly, there were five regions and 39 districts. At the same time, the Buying Division was aligned into four groups, each with a merchandise manager. Previously, there were three groups and three merchandise managers.

ZELLER'S LIMITED

Zeller's, a Canadian chain with stores similar to Grant stores, of whose common stock the Company owns approximately 51%, had another good year. In 1962, it increased its number of stores from 94 to 100.

Its 1962 sales totalled \$68,797,775 or 9.4% above 1961. Net earnings were \$1,929,994 or \$2.30 per common share, which compares with \$1,903,990 or \$2.27 per common share in 1961.

Zeller's paid dividends of \$1.40 per share in 1962, the same as in 1961.

All the above amounts are in Canadian dollars.

The Company appreciates the contributions made to its performance by its customers, employees, and suppliers.

In 1963, it is expected that both sales and net earnings will increase over 1962, even though we know that competition among retailers will continue to grow.

Chairman of the Board

Vice Chairman of the Board

President

April 4, 1963

STATEMENT OF OPERATIONS

W. T. GRANT COMPANY

Year ended January 31,

	1963	1962
SALES	\$686,262,689	\$574,501,798
Cost of merchandise sold and operating expenses . . .	<u>657,865,741</u>	<u>549,066,107</u>
	\$ 28,396,948	\$ 25,435,691
ADD:		
Interest earned	114,794	67,915
Other income	<u>525,484</u>	<u>608,205</u>
	\$ 640,278	\$ 676,120
	\$ 29,037,226	\$ 26,111,811
DEDUCT:		
Depreciation and amortization	6,782,285	6,540,639
Interest paid	3,995,696	2,184,964
Other deductions	295,123	266,895
Provision for federal taxes on income—Note C:		
Current	6,739,000	8,328,000
Deferred	<u>2,221,000</u>	<u>432,000</u>
	\$ 20,033,104	\$ 17,752,498
NET EARNINGS FOR THE YEAR	\$ 9,004,122	\$ 8,359,313
DEDUCT:		
Cash dividends:		
On 3¾% Cumulative Preferred Stock:		
Four quarterly dividends of 93¾¢ each per share	562,507	562,507
On Common Stock:		
Four quarterly dividends of 30¢ each per share . .	<u>6,997,322</u>	<u>6,940,102</u>
TOTAL DIVIDENDS	\$ 7,559,829	\$ 7,502,609
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS	\$ 1,444,293	\$ 856,704
ADD:		
Earnings of prior years retained for use in the business	<u>90,267,222</u>	<u>89,410,518</u>
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR	<u>\$ 91,711,515</u>	<u>\$ 90,267,222</u>

(See notes to financial statements.)

W. T. GRANT COMPANY

ASSETS

January 31,

1963

1962

CURRENT ASSETS

Cash	\$ 26,493,815	\$ 49,687,679
Accounts receivable:		
Customers' installment accounts not sold	125,356	16,857,848
Equity in customers' installment accounts (\$66,905,814 and \$32,901,919, respectively) sold	6,690,585	3,297,319
	<u>\$ 6,815,941</u>	<u>\$ 20,155,167</u>
Less allowance for doubtful accounts	2,690,344	2,554,110
	<u>\$ 4,125,597</u>	<u>\$ 17,601,057</u>
Other accounts receivable, claims, etc.	2,914,548	2,567,880
Total accounts receivable, net	\$ 7,040,145	\$ 20,168,937
Merchandise inventories (including merchandise in transit)— at the lower of cost or market determined principally by the retail inventory method	141,046,594	112,885,170
TOTAL CURRENT ASSETS	\$174,580,554	\$182,741,786

OTHER ASSETS

Investment in Zeller's Ltd., at cost—Note A	7,382,171	7,339,983
Cash surrender value of life insurance	2,415,184	2,363,920
Sundry receivables and deposits	738,001	857,337
TOTAL OTHER ASSETS	\$ 10,535,356	\$ 10,561,240

COMMON STOCK OF W. T. GRANT COMPANY

At cost, held for Deferred Contingent Compensation Plan (40,500 and 33,800 shares, respectively)—Note B	768,424	632,995
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STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS—on the basis of cost

Buildings	191,910	191,910
Furniture and fixtures	67,277,109	64,160,032
Improvements to leased properties	11,516,126	13,071,693
	<u>\$ 78,985,145</u>	<u>\$ 77,423,635</u>
Less allowances for depreciation and amortization	36,715,729	35,626,771
	<u>\$ 42,269,416</u>	<u>\$ 41,796,864</u>
Land	338,500	338,500
TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS	\$ 42,607,916	\$ 42,135,364

DEFERRED CHARGES

Prepaid taxes, rents and insurance, supplies, etc.	3,889,386	4,672,187
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UNAMORTIZED DEBT EXPENSE

492,043	521,346
<u>\$232,873,679</u>	<u>\$241,264,918</u>

STATEMENT OF FINANCIAL POSITION

LIABILITIES, RESERVES, AND CAPITAL

January 31,

1963

1962

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 42,585,806	\$ 54,461,145
Federal taxes on income—Note C	7,063,676	8,388,685
TOTAL CURRENT LIABILITIES	\$ 49,649,482	\$ 62,849,830

LONG TERM DEBT—Note D	35,000,000	35,000,000
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DEFERRED FEDERAL TAX ON INCOME—Note C	3,025,000	804,000
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RESERVES

For uninsured risks	1,400,000	1,400,000
For repainting stores	1,656,165	1,505,579
For deferred contingent compensation—Note B	762,010	697,562
TOTAL RESERVES	\$ 3,818,175	\$ 3,603,141

CAPITAL—Notes B, D, and E:

Capital Stock

Cumulative Preferred—\$100 par value:

Authorized 250,000 shares

Issued 150,000 shares of 3¾% series	15,000,000	15,000,000
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Common—\$2.50 par value:

Authorized 8,500,000 shares

Issued 5,890,151 and 5,846,111 shares, respectively	14,725,378	14,615,277
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Capital paid-in in excess of par value of shares issued	19,352,359	18,557,418
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Amounts paid by officers and employees under purchase contracts for 425,570 and 424,525 shares, respectively, of unissued Common Stock	591,770	568,030
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	\$ 34,669,507	\$ 33,740,725
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Earnings retained for use in the business	91,711,515	90,267,222
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TOTAL CAPITAL	\$141,381,022	\$139,007,947
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\$232,873,679

\$241,264,918

(See notes to financial statements.)

NOTES TO FINANCIAL STATEMENTS

January 31, 1963

Note A - At January 31, 1963, the Company's equity in the net assets of Zeller's Limited, an approximately 51% owned unconsolidated subsidiary, exceeded the cost of its investment in 383,850 shares of common stock of the subsidiary by approximately \$788,000. The Company's equity in Zeller's net earnings applicable to common stock (before dividends thereon for the year ended January 31, 1963) amounted to approximately \$820,271. During the year, the Company received dividends amounting to \$501,178 from Zeller's Limited.

Note B - The amount shown for the reserve for deferred contingent compensation at January 31, 1963 represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company an amount equivalent to the cost to the Company of 39,686 shares of its Common Stock held for this purpose; and (b) the total remaining in participants' contingent cash allotments. For the year ended January 31, 1963, the amount charged to earnings for this plan was \$75,000.

Note C - The Company has elected to apply "guide-line" depreciation rates and has continued to use accelerated methods in computing depreciation deductions for purposes of income tax reporting while continuing to record depreciation in its accounts utilizing the same rates and straight-line methods as in prior years. For the year ended January 31, 1963 this deduction for income tax purposes was approximately \$3,877,000 more than the aggregate charge for depreciation reflected in the financial statements, and the related federal income taxes have been reflected in the provision for deferred taxes. Federal income tax "investment credit" has been reflected in income during the year to the extent of \$208,000 (48%), and the remaining \$226,000 (52%) will be taken into income over the life of the respective assets.

Note D - Long term debt consists of 4¾% Sinking Fund Debentures dated January 1, 1962 and due January 1, 1987. The indenture provides, among other things, for certain limitations with respect to the declaration of cash dividends, acquisition or disposition of capital stock, and the incurrence of long term indebtedness. Sinking Fund payments begin January 1, 1969 and continue at the annual rate of \$1,500,000. At January 31, 1963, approximately \$20,000,000 of earnings retained for use in the business was free for payment of cash dividends.

Note E - The 3¾% Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 per share plus accrued dividends to date of redemption.

At January 31, 1963, 482,645 shares of the Company's unissued Common Stock were reserved under the Employees' Stock Purchase Plan. Contracts for the sales of such shares, on a deferred payment basis, are made at approximate market prices at dates of contracts. Shares are issued after completion of payments.

Note F - At January 31, 1963, the Company was lessee of real property under 1,063 leases expiring subsequent to January 31, 1966 at aggregate minimum annual rentals of approximately \$26,154,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$20,433,000 for minimum annual rentals under 801 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for 14 leases which were on a percentage of sales basis without any specified minimum annual rentals.

ACCOUNTANTS' REPORT

ERNST & ERNST

120 BROADWAY
NEW YORK 5, N. Y.

TO THE BOARD OF DIRECTORS
W. T. GRANT COMPANY
NEW YORK, N. Y.

We have examined the statement of financial position of W. T. Grant Company at January 31, 1963, and the related statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and operations present fairly the financial position of W. T. Grant Company at January 31, 1963, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.
March 26, 1963

ERNST & ERNST

SOURCE AND DISPOSITION OF FUNDS

(amounts in 000's)

(years which end January 31 of subsequent years)

	1962	1961	1960	1959	1958	TOTAL 5 Years
WHERE FUNDS CAME FROM						
SALES	\$686,262	\$574,501	\$512,687	\$479,997	\$432,240	\$2,685,687
LESS:						
Merchandise costs, supplies, outside services, etc.	496,149	407,539	356,860	329,959	299,423	1,889,930
Wages and salaries, including miscellaneous benefits	123,462	107,224	97,336	88,047	79,102	495,171
Retirement plan contributions	875	648	908	1,071	1,008	4,510
Social security taxes on payrolls	6,868	5,249	4,459	3,494	2,712	22,782
Rents to landlords less rentals on subleases .	27,825	23,854	21,401	19,778	18,264	111,122
Federal, state and local taxes, excluding social security taxes	15,297	15,087	16,262	19,475	16,209	82,330
Depreciation and amortization	6,782	6,541	6,263	5,915	5,672	31,173
NET INCOME FROM OPERATIONS	\$ 9,004	\$ 8,359	\$ 9,198	\$ 12,258	\$ 9,850	\$ 48,669
Add charges against income which involve no cash outlay:						
Depreciation and amortization	6,782	6,541	6,263	5,915	5,672	31,173
Net increase in reserves	215	317	123	153	152	960
Deferred federal income tax	2,221	432	310	62	—	3,025
From sale of common stock to public	—	—	—	14,042	—	14,042
From sale of common stock to employees	929	1,214	1,487	812	591	5,033
From sale of debentures	—	35,000	—	—	—	35,000
From sale of land and buildings	18	146	—	9	—	173
From decrease in sundry accounts—net	880	—	—	—	—	880
TOTAL FUNDS PROVIDED	<u>\$ 20,049</u>	<u>\$ 52,009</u>	<u>\$ 17,381</u>	<u>\$ 33,251</u>	<u>\$ 16,265</u>	<u>\$ 138,955</u>

HOW FUNDS WERE USED

For dividends to stockholders	\$ 7,560	\$ 7,502	\$ 7,429	\$ 6,624	\$ 5,553	\$ 34,668
For investment in land and buildings	—	—	318	—	35	353
For investment in furniture and fixtures	7,272	7,577	7,596	7,220	5,600	35,265
For investment in improvements to leased properties	—	71	284	233	107	695
For investment in Zeller's Limited	42	—	—	—	2,773	2,815
For purchase of common stock for deferred compensation plan	136	6	126	149	57	474
For increase in sundry accounts—net	—	877	620	154	377	2,028
Funds added to working capital	5,039	35,976	1,008	18,871	1,763	62,657
TOTAL FUNDS USED	<u>\$ 20,049</u>	<u>\$ 52,009</u>	<u>\$ 17,381</u>	<u>\$ 33,251</u>	<u>\$ 16,265</u>	<u>\$ 138,955</u>

COMPARATIVE STATEMENT OF OPERATIONS

(years which end January 31 of subsequent years)

	1962	1961	1960	1959	1958
SALES	\$686,262,689	\$574,501,798	\$512,686,823	\$479,997,477	\$432,240,571
LESS:					
Cost of merchandise sold and operating expenses	657,865,741	549,066,107	486,492,154	447,992,005	405,699,354
	<u>28,396,948</u>	<u>25,435,691</u>	<u>26,194,669</u>	<u>32,005,472</u>	<u>26,541,217</u>
ADD:					
Interest earned	114,794	67,915	139,229	98,802	72,325
Other income	525,484	608,205	560,286	490,854	348,983
	<u>29,037,226</u>	<u>26,111,811</u>	<u>26,894,184</u>	<u>32,595,128</u>	<u>26,962,525</u>
DEDUCT:					
Depreciation and amortization	6,782,285	6,540,639	6,262,568	5,915,020	5,672,178
Interest paid	3,995,696	2,184,964	1,518,260	1,055,401	955,215
Other deductions	295,123	266,895	270,223	191,767	169,879
Provision for federal taxes on income	8,960,000	8,760,000	9,645,000	13,175,000	10,315,000
NET EARNINGS FOR THE YEAR	<u>9,004,122</u>	<u>8,359,313</u>	<u>9,198,133</u>	<u>12,257,940</u>	<u>9,850,253</u>
DEDUCT:					
Preferred dividends	562,507	562,507	562,507	562,506	562,506
Common dividends	6,997,322	6,940,102	6,866,389	6,061,164	4,990,809
ADD:					
Earnings of prior years retained in the business	90,267,222	89,410,518	87,641,281	82,007,011	77,710,073
Accumulated earnings retained, at end of year	<u>\$ 91,711,515</u>	<u>\$ 90,267,222</u>	<u>\$ 89,410,518</u>	<u>\$ 87,641,281</u>	<u>\$ 82,007,011</u>

COMPARATIVE STATEMENT OF FINANCIAL POSITION

(at January 31 of subsequent years)

ASSETS:

	1962	1961	1960	1959	1958
Cash	\$ 26,493,815	\$ 49,687,679	\$ 25,637,672	\$ 30,515,575	\$ 23,740,240
Short term securities	—	—	2,996,826	—	—
Accounts receivable—customers' installment accounts (net)	4,125,597	17,601,057	2,325,255	2,570,001	1,342,305
Accounts receivable—other	2,914,548	2,567,880	1,943,821	1,504,696	1,493,436
Merchandise inventories	141,046,594	112,885,170	96,243,818	86,089,840	75,780,905
TOTAL CURRENT ASSETS	174,580,554	182,741,786	129,147,392	120,680,112	102,356,886
Investment in Zeller's Limited, at cost	7,382,171	7,339,983	7,339,983	7,339,983	7,339,983
Cash surrender value of life insurance	2,415,184	2,363,920	3,292,245	3,169,308	3,067,589
Sundry receivables and deposits	738,001	857,337	911,108	816,266	1,098,692
Common stock of W. T. Grant Company held for deferred contingent compensation plan, at cost	768,424	632,995	627,329	501,710	352,199
Land and buildings (net)	480,147	487,861	641,326	330,756	347,101
Furniture and fixtures (net)	37,744,657	36,668,189	34,993,088	33,006,397	31,044,142
Improvements to leased properties (net)	4,383,112	4,979,314	5,539,916	5,901,971	6,318,918
Deferred charges	3,889,386	4,672,187	3,334,753	2,933,025	2,598,224
Unamortized debt expense	492,043	521,346	—	—	—
TOTAL ASSETS	\$232,873,679	\$241,264,918	\$185,827,140	\$174,679,528	\$154,523,734

LIABILITIES, RESERVES, AND CAPITAL:

Accounts payable and accrued expenses	\$ 42,585,806	\$ 54,461,145	\$ 36,537,269	\$ 33,041,072	\$ 30,094,914
Federal taxes on income—estimated (less U. S. Government securities)	7,063,676	8,388,685	8,694,088	4,731,572	8,225,414
TOTAL CURRENT LIABILITIES	49,649,482	62,849,830	45,231,357	37,772,644	38,320,328
Long term debt	35,000,000	35,000,000	—	—	—
Deferred federal income tax	3,025,000	804,000	372,000	62,300	—
Reserve for uninsured risks	1,400,000	1,400,000	1,400,000	1,500,000	1,500,000
Reserve for repainting stores	1,656,165	1,505,579	1,273,123	1,151,336	1,116,319
Reserve for deferred contingent compensation	762,010	697,562	613,400	511,950	394,101
CAPITAL:					
Preferred 3 3/4 % stock \$100 par value	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Common stock	34,669,507	33,740,725	32,526,742	31,040,017	16,185,975
Earnings retained for use in the business	91,711,515	90,267,222	89,410,518	87,641,281	82,007,011
TOTAL LIABILITIES, RESERVES, AND CAPITAL	\$232,873,679	\$241,264,918	\$185,827,140	\$174,679,528	\$154,523,734

HISTORICAL RECORD • 1907-1962

(Amounts in 000's)

(Amounts in 000's)

Year	No. of Stores	PRE-TAX EARNINGS		NET EARNINGS		DIVIDENDS		WORKING CAPITAL		FIXED ASSETS		NET WORTH			
		Total	Per Sales Dollar	Total	Per Sales Dollar Share	Total	% of Net	Total	% Sales	Total	% Sales	Total	% Earned		
1907	1	\$ 10	9.8¢	\$.03	9.8¢	\$ 8	81.7	\$.02	\$ 16	16.5	\$ 3	3.0	\$ 19	52.6	1907
1912	12	26	1.9	.01	26	121.9	.01	179	13.2	132	9.7	315	8.3	1912	
1917	30	154	3.4	.03	110	2.4	.01	430	9.5	301	6.7	759	14.5	1917	
1922	50	708	4.6	.14	611	4.0	.02	1,803	11.7	1,403	9.1	3,261	18.7	1922	
1927	157	43,744	2.5	.56	2,386	5.5	.11	5,200	11.9	6,167	14.1	11,416	20.9	1927	
1932	446	2,754	6.3	.34	1,612	2.2	.25	9,704	13.3	16,101	22.0	25,155	6.4	1932	
1937	480	4,253	4.3	.70	3,402	3.4	.48	18,580	18.8	14,876	15.0	34,359	9.9	1937	
1942	493	9,684	6.3	.72	3,762	2.4	.35	22,449	14.6	19,052	12.4	41,046	9.2	1942	
1947	483	13,862	6.1	1.71	8,679	3.8	.75	42,359	18.5	23,128	10.1	63,462	13.7	1947	
1952	493	18,895	6.7	1.46	7,570	2.7	.75	43,077	15.2	35,203	12.4	84,744	8.9	1952	
1953	502	18,920	6.3	1.54	8,045	2.7	.75	41,956	14.0	38,189	12.7	89,056	9.0	1953	
1954	520	18,585	5.9	1.68	8,755	2.8	.75	46,553	14.7	38,245	12.1	94,118	9.3	1954	
1955	574	20,395	5.8	1.86	9,710	2.8	.90	57,125	16.2	33,760	9.6	99,480	9.8	1955	
1956	632	18,493	4.9	1.69	8,938	2.3	1.00	57,808	15.2	36,795	9.7	103,565	8.6	1956	
1957	691	18,259	4.5	1.84	9,718	2.4	1.00	62,273	15.3	37,641	9.3	108,305	9.0	1957	
1958	739	20,165	4.7	1.86	9,850	2.3	1.00	64,037	14.8	37,710	8.7	113,193	8.7	1958	
1959	801	25,433	5.3	2.06	12,258	2.6	1.10	82,907	17.3	39,239	8.2	133,681	9.2	1959	
1960	864	18,843	3.7	1.50	9,198	1.8	1.20	83,916	16.4	41,174	8.0	136,937	6.7	1960	
1961	952	17,119	3.0	1.34	8,359	1.5	1.20	119,892	20.9	42,135	7.3	139,008	6.0	1961	
1962	1,032	17,964	2.6	1.44	9,004	1.3	1.20	124,931	18.2	42,608	6.2	141,381	6.4	1962	

Note—Net earnings and dividends per share are based on shares outstanding at year end adjusted for stock splits. Dividends exclude values of rights and stock dividends.

MERCHANDISE LINES SOLD IN W. T. GRANT FRIENDLY FAMILY STORES

For Women

Dresses
Coats, Suits, Jackets
Skirts, Slacks
Blouses
Sportswear, Playwear
Sweaters
Beachwear
Millinery, Ribbons,
 Veiling
Uniforms
Gloves
Handbags
Hosiery
Slips, Petti Slips
Gowns
Pajamas
Robes, Dusters
Foundation Garments
Maternity Wear
Shoes, Slippers
Swimwear
Jewelry, Watches
Rainwear, Umbrellas
Cosmetics, Toiletries
Luggage, Wallets
Underwear
Party Supplies
Yard Goods, Patterns
Art Needlework
Hair Goods, Notions
Sewing Supplies

For Children

Infants' Wear
Infants' Furniture
Nursery Supplies
Layettes
Shoes
Slippers
Hosiery
Sweaters
Headwear
Sleepwear
Robes
Coats, Snowsuits
Gloves, Mittens
Swimwear
Polo Shirts
Playwear
Sportswear
Rainwear
Girls' Dresses, Slips
Girls' Skirts, Blouses
Pre-Teen Apparel
Handbags
Boys' Suits and Jackets
Boys' Shirts and Pants
Underwear
Boys' Belts, Neckties
Dolls, Doll Clothes
Bicycles, Accessories
Books, Games,
 Hobby Kits
Creative Toys,
 Educational Toys

For Men

Dress Shirts
Sports Shirts
Sweaters
Slacks
Jackets
Coats
Headwear
Hosiery
Shoes
Slippers
Underwear
Rainwear
Walking Shorts
Work Clothes
Neckties
Polo Shirts
Pajamas
Gloves
Rubber Footwear
Watches
Jewelry
Robes
Beachwear
Belts
Shaving Needs
Sporting Goods
 Active Sports
 Camping, Hunting,
 Fishing
Swimwear

For the Home

Bed Sheets, Pillow Cases, Pillows
Blankets, Comforters, Bedspreads
Bedroom Ensembles, Cushions
Curtains, Draperies, Slip Covers
Towels, Shower Curtains,
 Bathroom Supplies
Dinnerware, Glassware, Cutlery
Table Linens, Oilcloth
Electric Appliances, Power Tools
Lamps, Shades, Pictures
Room Size and Scatter Rugs
Furniture, Mirrors
Summer Furniture,
 Unfinished Furniture
Hardware, Hand Tools
Paints, Brushes
Candy, Cookies
Record Players, Records
Radios, Television Sets
Cameras and Supplies
Power Lawn Mowers
Garden Tools, Plants, Seeds
Barbecue Grills
Wading Pools, Play Gyms
Stationery, Typewriters
Cooking Utensils
Electrical Accessories, Fans
Pets, Pet Supplies
Refrigerators, Freezers,
 Washers, Dryers,
 Sewing Machines
Aluminum Storm Windows, Doors
Cleaning and Laundry Supplies
Gift and Novelty Items

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